

## **0510.22 Procurement Cards, Special Use**

Issued March 14, 2008

**SUBJECT:** Procurement Cards, Special Use

**APPLICATION:** Executive Branch Departments and Sub-units.

**PURPOSE:** To specify policies and procedures for agencies that are requesting to exceed delegated authority on purchases through the procurement card including a business requirement for spending limits exceeding the delegated authority or a need to make emergency purchases.

**CONTACT AGENCY:** Department of Management and Budget (DMB)  
Financial Services - Operations, Procurement Card Administration

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**SUMMARY:** Provide a method to modify spend limits or merchant category code authorization for an emergency purchase as defined in Administrative Guide to Government procedure 0510.38 Emergency Purchase – Post Award.

**APPLICABLE FORMS:** None

**APPROVALS:** Agency & Procurement Card Administration: Internal department and DMB program approvals must be obtained and documented according to agency and program policies and procedures.

### **PROCEDURES:**

The following sections apply to two different types of cards with limits exceeding the standard delegated authority. The first is emergency cards which exist prior to an actual emergency and may require prompt increase to the spend limits based on an emergency situation. The second is over standard delegated authority cards where on-going business needs may justify having a procurement card with spend limits above normal delegated authority.

### **For Emergency Purchases**

#### **Agency:**

- Request emergency cards and establish department policy and procedures for their use. As part of a department emergency preparedness plan, emergency cards may be requested prior to an emergency. Card limits are established based on identified need.
- Notify Statewide Program Administration of emergency purchases that required modification of limits on accounts that will be handled through a temporary increase to a procurement card limit.
- Activate and assign emergency accounts (if available in the department) to a specific employee. This employee is responsible for all transactions posted to this account.
- Adjust card limits to levels necessary for the emergency as necessary.
- Include information related to the emergency in the notepad section of each emergency transaction in system.
- Reports emergency transactions posted to the account(s) consistent with guidance provided in Administrative Guide to Government procedure 0510.38 Emergency Purchase and to the Statewide Procurement Card Program Administration.
- Establish policies to ensure the usage is consistent with state policies and directives.

Statewide Procurement Card Program Administration:

- Establish emergency procurement cards.
- Maintain a list of accounts approved. Run periodic reports to review purchases made by agencies for appropriate use and policy compliance on any account approved for emergency use.
- Notifies the State Administrative Board (see Procedure 0620.02), Department of Civil Service, and other sources, if applicable.
- Provide a list of emergency cards and a transaction summary for emergency use to DMB-Purchasing Operations annually.

**For Use Exceeding Standard Delegated Authority**

Agency:

- Determine need and business case for request, obtain necessary internal department approval.
- May request cards to be ready for use in an emergency.
- Submit written request for modification of spend limit or merchant category code modification to Statewide Program Administration to obtain an exception to the delegated spending authority limits. A business case must be presented that indicates how making payments with the procurement card produces budgetary savings, reduces processing time, or meets customer program needs. This must include:
  - Specific business need this modification would target
  - Budgetary savings obtained this way
  - Efficiency gains obtained by using the procurement card.
  - Length of modification request
- Implement review process to ensure the cards are used as designated.
- Establish policies to ensure the usage is consistent with state policies and directives.

Statewide Procurement Card Program Administration:

- Receives request for account modification:
  - If this is an emergency use request, must include the nature of the emergency, a description of the limit settings to be modified, and the expected time frame of the adjustment. This request may be part of the advance planning in case of emergency.
  - Reviews and determines if business case for account limit modification is justified for approval, for on-going purchases or short term purchases.
  - Notifies department of decision and if limits were modified.
- Maintains list of accounts approved.
- Run periodic reports to review purchases made by agencies for appropriate use and policy compliance on any account approved for expanded spending or Merchant Category Code modifications.
- Performs on-going review of approved modifications to ensure need continues to exist.
- Annually provide a list of special use cards and a transaction summary of use to DMB-Purchasing Operations. Works with departments regarding any issues related to usage based on annual reviews by the program or Purchasing Operations.

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